



STATE OF MICHIGAN
STATE TRANSPORTATION COMMISSION
LANSING



JENNIFER M. GRANHOLM
GOVERNOR

January 24, 2005

The Honorable Jennifer Granholm
State Capitol
Lansing, Michigan 48933

Dear Governor Granholm:

Section 314 of the appropriations bill for the State Transportation Department for the Fiscal Year ending September 30, 2005, and the Department of Management and Budget, Administrative Guide to State Government, Procedure 1270.06, provide for a report to be prepared by the Department's Internal Auditor on the internal audit activities for the prior fiscal year.

Enclosed is the Schedule of Internal Audit Activities for the Fiscal Year ended September 30, 2004, detailing the proportion of time spent in the various areas by the Office of Commission Audits in the performance of its internal audit responsibilities. Also enclosed is the required listing of the audits completed during this period.

If you have any questions regarding this report, please contact me or Jerry J. Jones, C.P.A., Commission Auditor, at (586) 469-5194 or (517) 373-2384, respectively.

Sincerely,

Ted B. Wahby
Chairman
State Transportation Commission

Enclosures

C: State Transportation Commission
Senate Appropriations Committee
House Appropriations Committee
Senate Fiscal Agency
House Fiscal Agency
Auditor General
Director, Department of Transportation
Director, Department of Management and Budget
State Budget Director
Commission Advisor
Office of Governmental Affairs

Michigan Department of Transportation
Office of Commission Audits
Schedule of Internal Audit Activities
Fiscal Year 2004

Statutory Responsibility	Proportion of Time
Internal Control Evaluations – Responsibilities with Biennial Reporting	
Financial Audits (Internal)	
Financial Audits (External)	41%
Economy and Efficiency, and Performance Audits	30%
Other Audit and Investigative Activities	12%
Serious or Flagrant Activities	1%
Sub-recipient Monitoring	
Professional Development & Administrative Support Activities	16%
Other	
Total	100%

Comments
See attached list for each audit.

Vendor/Agency	Report Date	Report Number	Projects/ Agreements
ALPENA COUNTY ROAD COMMISSION	08/24/2004	CM-2004-32	1
ARENAC COUNTY ROAD COMMISSION	08/27/2004	CM-2003-46	2
CLINTON COUNTY ROAD COMMISSION	07/29/2004	CM-2003-51	1
CRAWFORD COUNTY ROAD COMMISSION	08/27/2004	CM-2003-52	1
DELTA COUNTY ROAD COMMISSION	08/25/2004	CM-2003-53	1
GENESEE COUNTY ROAD COMMISSION	08/13/2004	CM-2003-54	1
GLADWIN COUNTY ROAD COMMISSION	08/24/2004	CM-2003-55	1
GRAND TRAVERSE COUNTY ROAD COMMISSION	07/01/2004	CM-2002-32	2
GRATIOT COUNTY ROAD COMMISSION	08/26/2004	CM-2003-56	1
HURON COUNTY ROAD COMMISSION	08/13/2004	CM-2003-57	2
IONIA COUNTY ROAD COMMISSION	08/17/2004	CM-2003-212	2
JACKSON COUNTY ROAD COMMISSION	07/28/2004	CM-1999-99	1
JACKSON COUNTY ROAD COMMISSION	05/21/2004	CM-2002-40	1
JACKSON COUNTY ROAD COMMISSION	07/28/2004	CM-2003-59	1
LUCE COUNTY ROAD COMMISSION	10/28/2003	CM-2002-45	2
MACKINAC COUNTY ROAD COMMISSION	07/29/2004	CM-2003-62	1
MANISTEE COUNTY ROAD COMMISSION	08/17/2004	CM-2002-48	2
MARQUETTE COUNTY ROAD COMMISSION	09/28/2004	CM-2002-49	2
MONTCALM COUNTY ROAD COMMISSION	08/26/2004	CM-2003-67	1
NEWAYGO COUNTY ROAD COMMISSION	08/19/2004	CM-2003-216	1
OTTAWA COUNTY ROAD COMMISSION	09/27/2004	CM-2002-63	2
PRESQUE ISLE COUNTY ROAD COMMISSION	03/22/2004	CM-1999-109	1
PRESQUE ISLE COUNTY ROAD COMMISSION	03/22/2004	CM-1999-110	1
SANILAC COUNTY ROAD COMMISSION	12/09/2003	CM-2003-72	1
TUSCOLA COUNTY ROAD COMMISSION	07/30/2004	CM-2002-70	1
WAYNE COUNTY OFFICE OF PUBLIC SERVICES	09/30/2004	CM-2002-282	1
WAYNE COUNTY OFFICE OF PUBLIC SERVICES	09/30/2004	CM-2003-76	1
	CM Subtotal	27 Audits	35
ALFRED BENESCH & COMPANY	09/30/2004	CO-2002-208	26
ARCADIS FPS/FINKBEINER, PETTIS & STROUT, INC.	05/04/2004	CO-2003-335	3
EMERGENCY ROAD RESPONSE, INC.	04/30/2004	CO-2004-59	1
FISHBECK, THOMPSON, CARR & HUBER	09/21/2004	CO-2004-112	1

Vendor/Agency	Report Date	Report Number	Projects\ Agreements
HARDESTY & HANOVER, LLP	05/04/2004	CO-2004-81	3
HH ENGINEERING, LIMITED	05/04/2004	CO-2004-80	5
KING & MACGREGOR ENVIRONMENTAL, INC.	08/25/2004	CO-2003-187	1
LOUIS BERGER & ASSOCIATES, INC.	08/19/2004	CO-2004-108	1
MANNIK & SMITH GROUP	08/19/2004	CO-2004-79	5
ORCHARD, HILTZ & MCCLIMENT, INC.	05/10/2004	CO-2003-284	5
PARSONS BRINCKERHOFF MICHIGAN, INC.	08/19/2004	CO-2004-75	1
SPICER GROUP, INC.	09/27/2004	CO-2004-221	1
WADE-TRIM/ASSOCIATES, INC.	10/20/2003	CO-2002-375	10
WILCOX PROFESSIONAL SERVICES, LLC	09/30/2004	CO-2003-336	15
	CO Subtotal	14 Audits	78
ADRIAN, CITY OF	09/20/2004	ED-2003-141	1
ANN ARBOR, CITY OF	09/20/2004	ED-2003-144	2
BERRIEN COUNTY ROAD COMMISSION	09/30/2004	ED-2003-239	1
CALHOUN COUNTY ROAD COMMISSION	07/12/2004	ED-2003-38	2
CARO, VILLAGE OF	09/08/2004	ED-2003-142	1
COLDWATER, CITY OF	09/08/2004	ED-2003-262	1
ELBERTA, VILLAGE OF	10/22/2003	ED-2002-317	1
GRAND RAPIDS, CITY OF	10/31/2003	ED-2003-45	2
HASTINGS, CITY OF	09/03/2004	ED-2003-107	2
HOWELL, CITY OF	09/03/2004	ED-2003-176	1
HURON COUNTY ROAD COMMISSION	07/12/2004	ED-2001-363	1
JONESVILLE, VILLAGE OF	09/30/2004	ED-2002-212	1
KALAMAZOO, CITY OF	09/02/2004	ED-2003-17	1
LIVINGSTON COUNTY ROAD COMMISSION	09/28/2004	ED-2003-303	1
MACOMB COUNTY ROAD COMMISSION	09/27/2004	ED-2003-31	1
MARSHALL, CITY OF	09/02/2004	ED-2003-264	1
MICHIGAN DEPARTMENT OF NATURAL RESOURCES	09/09/2004	ED-2003-280	2
MIDDLEVILLE, VILLAGE OF	09/16/2004	ED-2003-221	1
OAKLAND COUNTY, ROAD COMMISSION FOR	06/24/2004	ED-2002-160	8
OAKLAND COUNTY, ROAD COMMISSION FOR	09/28/2004	ED-2003-266	3
OSCEOLA COUNTY ROAD COMMISSION	10/31/2003	ED-2003-35	1

Vendor/Agency	Report Date	Report Number	Projects/ Agreements
ROYAL OAK, CITY OF	09/20/2004	ED-2004-92	1
SAULT STE. MARIE, CITY OF	09/27/2004	ED-2003-13	3
STERLING HEIGHTS, CITY OF	05/11/2004	ED-2002-204	1
WASHTENAW COUNTY ROAD COMMISSION	06/24/2004	ED-2002-357	1
WAYNE, CITY OF	05/24/2004	ED-2002-152	2
WIXOM, CITY OF	10/30/2003	ED-2002-227	1
	ED Subtotal	27 Audits	44
ANN ARBOR, CITY OF	08/06/2004	MM-2003-245	1
BATTLE CREEK, CITY OF	02/09/2004	MM-2004-109	1
BENTON HARBOR, CITY OF (AERO)	11/17/2003	MM-2004-3	1
CADILLAC, CITY OF	11/17/2003	MM-2004-4	1
CHARLEVOIX, CITY OF	11/18/2003	MM-2004-5	1
CLARE, CITY OF	12/22/2003	MM-2004-70	1
COLDWATER, CITY OF	11/18/2003	MM-2004-6	1
EASTPOINTE, CITY OF	11/18/2003	MM-2004-8	1
FERNDAL, CITY OF	11/18/2003	MM-2004-9	1
GREENVILLE, CITY OF	11/18/2003	MM-2004-10	1
HILLSDALE, CITY OF	11/18/2003	MM-2004-11	1
HOUGHTON, CITY OF	12/22/2003	MM-2003-81	1
HOUGHTON, CITY OF	07/28/2004	MM-2004-73	1
IRON MOUNTAIN, CITY OF	11/18/2003	MM-2004-12	1
KALAMAZOO, CITY OF	12/09/2003	MM-2003-82	2
LANSING, CITY OF	02/14/2004	MM-2001-196	1
MANCELONA, VILLAGE OF	10/20/2003	MM-2003-101	1
MANISTEE, CITY OF	12/22/2003	MM-2004-71	1
MIDLAND, CITY OF	12/22/2003	MM-2004-72	1
MT. CLEMENS, CITY OF	02/09/2004	MM-2004-110	1
MUSKEGON, CITY OF	02/14/2004	MM-2003-83	1
MUSKEGON, CITY OF	08/06/2004	MM-2004-69	1
PETOSKEY, CITY OF	11/18/2003	MM-2004-13	1
ROSE, CITY OF	10/20/2003	MM-2003-102	1
SAGINAW, CITY OF	03/26/2004	MM-2003-85	1

Vendor/Agency	Report Date	Report Number	Projects\ Agreements
ST. IGNACE, CITY OF	11/18/2003	MM-2004-14	1
ST. JOSEPH, CITY OF	11/18/2003	MM-2004-15	1
	MM Subtotal	27 Audits	28
ALFRED BENESCH & COMPANY	08/11/2004	PA-2004-225	1
BERGMANN ASSOCIATES	03/02/2004	PA-2004-130	1
CH2M HILL MICHIGAN, INC.	02/27/2004	PA-2004-120	1
FISHBECK, THOMPSON, CARR & HUBER	10/27/2003	PA-2004-29	1
HNTB MICHIGAN, INC.	03/02/2004	PA-2004-126	1
HNTB MICHIGAN, INC.	06/24/2004	PA-2004-204	1
HNTB MICHIGAN, INC.	07/23/2004	PA-2004-224	1
HNTB MICHIGAN, INC.	09/09/2004	PA-2004-227	1
KTA-TATOR, INC.	04/21/2004	PA-2004-192	1
MORPACE INTERNATIONAL, INC.	10/28/2003	PA-2004-22	1
PARSONS TRANSPORTATION INC.	11/05/2003	PA-2004-31	1
PARSONS TRANSPORTATION INC.	03/31/2004	PA-2004-143	1
TETRA TECH MPS	04/13/2004	PA-2004-181	1
WADE-TRIM/ASSOCIATES, INC.	05/27/2004	PA-2004-202	1
WILBUR SMITH ASSOCIATES, INC. MICHIGAN	11/04/2003	PA-2004-26	1
WILBUR SMITH ASSOCIATES, INC. MICHIGAN	11/18/2003	PA-2004-56	1
WILCOX PROFESSIONAL SERVICES, LLC	10/07/2003	PA-2003-325	1
	PA Subtotal	17 Audits	17
KALAMAZOO AREA TRANSPORTATION STUDY	08/19/2004	PO-2004-199	6
MICHIGAN DEPARTMENT OF CORRECTIONS	08/09/2004	PO-2004-54	1
REGION 2 PLANNING COMMISSION	08/02/2004	PO-2004-186	6
SAGINAW COUNTY METROPOLITAN PLANNING COMMISSION	08/02/2004	PO-2004-191	4
SOUTHEAST MICHIGAN COUNCIL OF GOVERNMENTS	08/27/2004	PO-2002-107	46
TRI-COUNTY REGIONAL PLANNING COMMISSION	09/16/2004	PO-2004-187	7
	PO Subtotal	6 Audits	70
ANN ARBOR TRANSPORTATION AUTHORITY	06/04/2004	PT-2004-141	3
BARRY COUNTY BOARD OF COMMISSIONERS	09/22/2004	PT-2004-220	2
BATTLE CREEK, CITY OF	06/29/2004	PT-2004-49	1
BAY AREA TRANSPORTATION AUTHORITY	09/22/2004	PT-2004-137	1

Vendor/Agency	Report Date	Report Number	Projects/ Agreements
BAY METROPOLITAN TRANSPORTATION AUTHORITY	09/21/2004	PT-2001-184	4
BEAVER ISLAND TRANSPORTATION AUTHORITY	06/29/2004	PT-2001-97	1
BERRIEN COUNTY BOARD OF COMMISSIONERS	03/31/2004	PT-2002-183	4
BLUE WATER AREA TRANSPORTATION COMMISSION	04/16/2004	PT-2004-83	3
BLUE WATER AREA TRANSPORTATION COMMISSION	09/29/2004	PT-2004-133	1
CAPITAL AREA TRANSPORTATION AUTHORITY	07/30/2004	PT-2004-90	1
CAPITAL AREA TRANSPORTATION AUTHORITY	07/02/2004	PT-2004-171	5
CLARE COUNTY TRANSIT CORPORATION	06/17/2004	PT-2003-240	2
CRAWFORD COUNTY TRANSPORTATION AUTHORITY	04/26/2004	PT-2003-243	5
CRAWFORD COUNTY TRANSPORTATION AUTHORITY	04/16/2004	PT-2004-175	1
EASTERN UPPER PENINSULA TRANSPORTATION AUTHORITY	07/02/2004	PT-2001-229	7
EATON COUNTY TRANSPORTATION AUTHORITY	06/25/2004	PT-2004-151	1
EATON COUNTY TRANSPORTATION AUTHORITY	06/25/2004	PT-2004-183	1
GLADWIN COUNTY BOARD OF COMMISSIONERS	04/16/2004	PT-2004-176	1
GOGEBIC COUNTY TRANSIT	09/28/2004	PT-2004-128	1
GRAND HAVEN, CITY OF	04/30/2004	PT-2002-346	8
GRAND HAVEN, CITY OF	06/25/2004	PT-2004-55	3
GRAND RAPIDS AREA TRANSIT AUTHORITY	07/27/2004	PT-2003-334	3
GREATER LAPEER TRANSPORTATION AUTHORITY	05/18/2004	PT-2004-51	3
HOLLAND, CITY OF	08/27/2004	PT-2004-122	2
HOPE NETWORK, INC.	05/25/2004	PT-2004-125	1
HURON COUNTY BOARD OF COMMISSIONERS	03/29/2004	PT-2004-139	1
INTERURBAN TRANSIT AUTHORITY	05/14/2004	PT-2003-333	3
INTERURBAN TRANSIT PARTNERSHIP	09/07/2004	PT-2002-260	7
INTERURBAN TRANSIT PARTNERSHIP	09/07/2004	PT-2004-167	4
IONIA, CITY OF	06/23/2004	PT-2004-113	3
ISABELLA COUNTY TRANSPORTATION COMMISSION	04/16/2004	PT-2004-123	1
KALAMAZOO AREA TRANSPORTATION STUDY	04/26/2004	PT-2003-258	3
KALAMAZOO COUNTY - HUMAN SERVICES DEPT.	04/26/2004	PT-2002-173	4
KALAMAZOO COUNTY BOARD OF COMMISSIONERS	07/28/2004	PT-2004-121	3
KALKASKA PUBLIC TRANSIT AUTHORITY	09/29/2004	PT-2004-129	1
LENAWEE TRANSPORTATION CORPORATION	04/22/2004	PT-2004-150	1

Vendor/Agency	Report Date	Report Number	Projects\ Agreements
LIVINGSTON COUNTY BOARD OF COMMISSIONERS	05/27/2004	PT-2004-201	1
LUDINGTON MASS TRANSPORTATION AUTHORITY	05/14/2004	PT-2004-132	3
MANISTEE COUNTY TRANSPORTATION, INC.	09/28/2004	PT-2004-131	7
MARQUETTE COUNTY TRANSIT AUTHORITY	09/07/2004	PT-2004-170	6
MARSHALL, CITY OF	07/19/2004	PT-2004-142	1
MASS TRANSPORTATION AUTHORITY	07/29/2004	PT-2003-305	6
MECOSTA COUNTY BOARD OF COMMISSIONERS	06/03/2004	PT-2004-114	1
MICHIGAN DEPARTMENT OF CAREER DEVELOPMENT	07/29/2004	PT-2004-152	1
MIDLAND COUNTY BOARD OF COMMISSIONERS	07/29/2004	PT-2003-271	2
MIDLAND COUNTY BOARD OF COMMISSIONERS	04/22/2004	PT-2004-173	1
MIDLAND, CITY OF	04/16/2004	PT-2003-209	2
ONTONAGON COUNTY BOARD OF COMMISSIONERS	05/27/2004	PT-2004-135	1
ROSCOMMON COUNTY BOARD OF COMMISSIONERS	03/31/2004	PT-2004-74	2
SANILAC TRANSPORTATION CORPORATION	05/13/2004	PT-2004-178	1
SAULT STE. MARIE, CITY OF	06/28/2004	PT-2004-153	1
SHIAWASSEE AREA TRANSPORTATION AGENCY	09/29/2004	PT-2004-165	2
SOUTHEAST MICHIGAN COUNCIL OF GOVERNMENTS	08/27/2004	PT-2003-134	6
SMART	03/29/2004	PT-2004-16	2
VAN BUREN COUNTY BOARD OF COMMISSIONERS	06/03/2004	PT-2004-148	3
YATES TOWNSHIP	06/22/2004	PT-2004-138	1
YATES TOWNSHIP DIAL-A-RIDE TRANSPORTATION SYSTEM	03/31/2004	PT-2004-57	3
	PT Subtotal	57 Audits	149
ANN ARBOR RAILROAD	08/06/2004	RR-2003-167	2
CENTRAL MICHIGAN RAILWAY COMPANY	08/18/2004	RR-2002-225	3
LAKE STATE RAILWAY COMPANY	08/09/2004	RR-2002-144	2
WISCONSIN CENTRAL LTD	08/06/2004	RR-2002-275	2
	RR Subtotal	4 Audits	9
ALLEGAN, CITY OF	09/16/2004	UR-2003-265	2
ALPENA COUNTY ROAD COMMISSION	02/10/2004	UR-2002-98	3
CADILLAC, CITY OF	09/17/2004	UR-2004-2	1
CHEBOYGAN, CITY OF	09/10/2004	UR-2003-11	1
GAINES, TOWNSHIP OF	10/30/2003	UR-2002-360	1

Vendor/Agency	Report Date	Report Number	Projects/ Agreements
GENESEE COUNTY ROAD COMMISSION	09/29/2004	UR-2003-139	4
JACKSON, CITY OF	09/02/2004	UR-2003-302	1
MACKINAC COUNTY ROAD COMMISSION	03/09/2004	UR-2003-104	1
MADISON HEIGHTS, CITY OF	05/28/2004	UR-2002-149	1
MELVINDALE, CITY OF	09/20/2004	UR-2003-28	1
MENOMINEE, CITY OF	09/14/2004	UR-2003-290	1
NORTON SHORES	09/20/2004	UR-2003-222	1
NOVI, CITY OF	09/28/2004	UR-2003-301	2
PORT HURON TOWNSHIP	10/24/2003	UR-2000-95	1
ROYAL OAK, CITY OF	09/20/2004	UR-2003-140	4
SAGINAW COUNTY ROAD COMMISSION	08/09/2004	UR-2003-297	1
SAULT STE. MARIE, CITY OF	08/09/2004	UR-2003-14	1
TROY, CITY OF	09/30/2004	UR-2001-387	7
UTICA, CITY OF	09/30/2004	UR-2003-39	2
WEXFORD COUNTY ROAD COMMISSION	06/28/2004	UR-2003-16	1
YALE, CITY OF	10/30/2003	UR-2002-348	1
	UR Subtotal	21 Audits	38
AMERITECH	07/13/2004	UT-2001-18	1
ANR PIPELINE COMPANY	07/15/2004	UT-2002-316	1
BROADWING	07/15/2004	UT-2003-4	1
CONSUMERS ENERGY	08/02/2004	UT-2004-94	6
	UT Subtotal	4 Audits	9
Grand Totals for Financial Related Audits		204 Audits	477

Vendor/Agency	Report Date	Report Number	Projects/ Agreements
BUREAU OF MULTI-MODAL TRANSPORTATION FREIGHT SERVICES AND SAFETY DIVISION	11/20/2003	OP-03-003	
INTERNAL AUDIT FOLLOW-UP OPEN RECOMMENDATIONS AS OF DECEMBER 31, 2003	04/29/2004	OP-04-001	
FINANCIAL AUDIT FOLLOW-UP OUTSTANDING AUDITS ISSUED PRIOR TO DECEMBER 1, 2003 OUTSTANDING AUDITS ISSUED PRIOR TO JUNE 1, 2004	04/29/2004	FF-04-001	
	09/30/2004	FF-04-002	
Grand Total for Performance Audits		4	
BACCO CONSTRUCTION, INC. GENERAL LIABILITY INSURANCE SETTLEMENT MDOT PORTION OF 2004 GENERAL LIABILITY REFUND NYLANDER ENGINEERING, INC. PAYNE & DOLAN, INC. ROCKWELL INTERNATIONAL UNDELIVERABLE 2003 W-2'S VEHICLE USE	04/21/2004		
	01/23/2004		
	09/10/2004		
	09/14/2004		
	07/22/2004		
	04/28/2004		
	06/15/2004		
	04/29/2004		
Grand Total for Special Audits		8	